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Proven Territory Management Strategies

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Proven Territory Management Strategies

The joy of being a sales professional in a competitive, commission-based field is that there is virtually no limit to how much you can earn. This is a blessing and a curse. To make money beyond your base salary, you have to make a sale. While immediate results are what everyone in the field, including your boss, is after, successful territory management strategies use a long-term approach that produces a growing income and better sales numbers for years to come. Whether representatives and account managers are working in an open or closed territory system, the same principles hold true. When implementing an effective territory management strategy, sales professionals must use a multifaceted approach. Sales teams must focus on the micro and macro without losing sight of either area. This means planning day-to-day strategies while looking into the future. Similarly, sales professionals must assess the current revenue funnel by studying existing accounts, identifying new prospects and developing future opportunities.

The Territory

Whether your sales territory is open or closed, it's your biggest and most important asset. The most successful sales professionals use a holistic approach. Don't think of a territory as a series of individual accounts that are stagnant or are performing well. Look at your sales territory like a business or one large account that determines all of your earnings and performance bonuses. Leverage your territory's assets, and focus on raising your bottom end whether it is individual accounts or sub-areas that aren't performing as well as they could be. Think like your target market. Show current and prospective customers what's in the proposition for them. Become a hunter-gatherer. Mine your

territory for new leads, development opportunities and key accounts. Use your territory like a precious resource to cultivate leads and to develop sustainable revenue.



Divide Your Territory

Productivity doesn't mean racing around town, spending hours behind the wheel or rushing from appointment to appointment. If sales reps feel like they're doing too much at once, it generally means that they are spreading themselves too thin. Time spent behind the wheel and money spent on gas cut down on productivity and increase the cost of leads and sales. Territories can be massive not just in size but in the number of accounts per square mile. If you haven't already, divide your territory into segments. Get out a map, see where your accounts are and divide your territory into three, four or five segments. Focus on one area each day of the week. This cuts down on driving time and increases the face time you have with current and prospective clients. With this approach, you'll find that there are suddenly enough hours in the day and more sales are being closed. Dividing your territory according to the number of accounts in each area is one of the simplest and most effective ways to feel more organized, to increase your comfort level and to manage your daily workload.

Pareto's Principle

By understanding this economic principal, sales professionals can manage their time and sales territories more effectively. More than 100 years after the Italian economist Vilfredo Pareto unveiled the so-called Pareto's Principle, this important concept still holds true. The 80/20 percent paradigm of Pareto's Principle can be applied to an impressive number of sales situations. For example, 80 percent of your sales profits come from 20 percent of the time you spend in the field. Without looking at analytic data, sales professionals know that roughly 80 percent of their revenue is produced by 20 percent of their best accounts. The universal nature of Pareto's Principle allows it to be applied across the sales profession. By following this economic principle, sales reps can refocus their time and adjust their schedule to concentrate on key accounts.

Key Accounts

Whether you prefer using the principles of global account management (GAM), key account management (KAM) or strategic account management (SAM), the objective is the same. Successful companies and independent sales representatives give their best customers the best service. This is a wonderful way to develop a strong partnership, to foster trust and to earn a long-term customer. Anything representatives can do to give key accountholders special treatment is an effective way to strengthen that business connection. Whether special touches include better pricing, customized products, personalized distribution or immediate product updates, KAM principles for key accounts produce results. Representatives may also work with a key account executive who offers multi-level service.

Key accounts produce the lion's share of revenue, so it's important for sales professionals to respond appropriately and to recognize the potential of these mutually beneficial business relationships. Whether it's in terms of dollar value or growth potential, these key accounts are essential for maximum revenue growth. Within your sales territory, you may also develop accounts for local, regional or global companies that have multiple locations. These are the most valuable accounts you can find.

Managing Your Time

Time management is an integral part of any effective territory management strategy. Effective time management skills are one of the most important sales abilities anyone can have. Through effective time management, sales reps can feel less busy and less stressed while accomplishing more. With this all-important skill, you won't feel like you have more to accomplish than anyone can do in one day. The first rule of time management is to complete all administrative work outside of 8:00 to 5:00 sales hours. Gather paperwork and agreements for each appointment before 8:00 am, and prepare for the next day of work after 5:00 pm. When structuring your route based on your daily territory divisions, plot the location of existing accounts and prospects.

Visit existing account holders between sales calls to make the most of your day. Book appointments with new prospects based on the day that you'll visit that part of your territory. Be flexible. If that isn't a good day, make an appointment for the following week. Sales reps who are struggling with time management practices as they relate to their sales territory should track time spent. Each 30-minute period of the working day must be accounted for and recorded. This is an easy way to see what is and what isn't working and to make appropriate adjustments.

Development Opportunities

According to industry professionals, failing to foster new business leads that provide sustainable revenue growth is the leading reason given for a sales career ending. Don't let this happen to your career in the field or in the office. There are four ways to develop your sales territory and to produce measurable growth. The first is marketing existing products and services to existing customers. The second is marketing newly launched products and services to existing customers. The third is marketing existing products to new customers, and the fourth is marketing new products to new customers.

Each territory can be broken down geographically. However, it can also be broken down into market segments. Identify current account holders and new account leads that are in similar industries or have similar needs. Evaluating companies by their size, revenue, industry, needs and business functions are excellent ways to understand what new clients are looking for and how your company can fill these needs. A little detective work is a big advantage when securing new accounts, developing sales strategies and taking business

away from competitors. Existing clients can provide valuable references when you are marketing products to a new company with similar business needs.

Setting Goals

Goals and objectives are powerful motivational tools that keep sales reps inspired and on the lookout for new leads. A small commitment, such as adding one new account per week or scheduling one extra appointment, makes a big difference in the long run.

Prioritize your goals. First, keep existing accounts, and make sure your current clients are happy. No sales rep wants to lose a customer. Second, grow your business by marketing more products to satisfied account holders. Third, obtain new accounts. If your territory covers a rapidly expanding suburb, you want to be the first sales rep new business owners meet. Keep looking for new customers. One of the trickiest and most rewarding opportunities is moving a competitor's account into your portfolio. Accounts held by competitors represent lucrative selling opportunities.

Accommodating Success

Foresight and diligence are the keys to successful territory management. This means that concentrating on current opportunities is just as important as looking into the future. Multiply your number of new leads by your average account revenue and your average closing rate to see the potential of your territory management efforts. These strategies apply to sales representatives, supervisors, key account executives and senior staff members who are responsible for working in the field, structuring territories, developing training programs or providing closing assistance.

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